

[999.5(d)(10)] The written notice of any proposed agreement or transaction set forth in section 999.5(a)(1) shall include a description of the applicant’s efforts to inform local governmental entities, professional staff and employees of the health facility, and the general public of the proposed transaction. This description shall include any comments or reaction to this effort.

DCHS made the announcement to its internal and external stakeholders in January 2014 of its intent to sell its six hospitals and medical foundation spanning the California coast.

The DCCHS communications team advises and partners with DCCHS leadership, legal counsel and consultants (the “Transaction Team”) to provide periodic communications to employees and the public. The following provides a detailed summary of those efforts.

Reactions to the communications efforts in our hospitals and system office have been positive and many questions have been posed. Comments from physicians include their desire to have their voices heard regarding the sale and are neutral for the most part, with the understanding that once a buyer is announced, then we can better address their questions about the future and how they fit in. Questions from associates primarily have included their concerns about pensions, layoffs, the possibility of bankruptcy, union contracts, and who the buyer is. Associates in general feel very informed and have myriad opportunities to ask questions and voice their concerns.

The DCCHS Corporate Office and each hospital have provided communications in the following ways:

DCCHS Corporate Office

- Monthly DCCHS Board of Director meetings with presentations from Transaction Team leaders and DCCHS CEO.
- Press release announcing the sale was posted on DCCHS website; a special section on www.dochs.org was developed to provide visitors with sale updates.
- DCCHS Corporate Communications leads the media relations efforts, proactively reaching out to reporters with any new information and responding immediately to reporter requests for interviews.
- Sale talking points are provided and updated for leadership and board members and question and answer documents regarding the sale process and timing are provided to leadership.
- Monthly updates to all leadership in the hospitals and medical foundation; letters/memos/phone calls to external stakeholders.
- Members of Houlihan Lokey and senior leadership have attended meetings with leadership each of DCCHS’s primary unions (SEIU, CNA and UNCA) on a regular basis (commencing in January/February 2014) to share information about the sale process.
- Monthly President’s Council meetings with all CEOs and the Transaction Team.
- Regular communications between the Daughters of Charity and local Bishops and other Catholic leaders.

- System Office town halls are offered for associates in the System Office and Caritas Business Services.
 - News articles are disseminated to leaders as they appear in the newspapers.
- Corporate Communications assists the CEO and Daughters of Charity in responding to letters from interest groups and individual community members inquiring or commenting on the sale of DCHS.

St. Francis Medical Center

- Updates on the sales process are a standing agenda item for the Executive Session of the Board, which meets monthly.
- CEO provides weekly updates to SFMC's senior leadership team.
- DCHS sale updates are provided by CEO at monthly Leadership meetings. Leadership team is asked to cascade information to staff.
- DCHS announcements/updates are sent to all associates via email, and cascaded to staff.
- CEO leads Associate Forums regarding the sale process and timing.
- Monthly Associate Newsletter features President/CEO message and the hospital focus and goals during this transitional period.
- Medical Executive Committee: Monthly updates are provided to physician leaders, similar to what is shared at the Board of Directors meetings.
- CEO provides updates and answers questions from physicians at the Quarterly General Medical Staff meetings.
- Administrative Reports including sales updates are given at medical staff committee (department and division) meetings of the medical staff.
- A Chief of Staff message in medical staff newsletter includes updates on the DCHS sale.
- Quarterly St. Francis Foundation Board of Trustee Meetings include updates by the CEO, and also on the Trustee teleconferences scheduled between each quarterly meeting.
- Donor organizations were initially informed of Sale by letter in January. Potential donors are notified upon submission of grants. Updates are provided upon grant renewals and during grantor site visits. CEO has met with a few funders who have wanted to discuss the sale further and how it may affect grant-funded programs.
- Director of Volunteer Services provides monthly updates following Leadership Meeting updates.

SFMC external outreach includes:

- **Los Angeles County Board of Supervisors**
 - Supervisor Mark Ridley-Thomas' chief of staff has a quarterly call with SFMC CEO, during which an update on the sales process is provided.
- **Los Angeles County Dept. of Health Services/Surrounding Hospitals**
 - CEO provided an update via a phone conversation with DHS leadership and with Elaine Batchlor, CEO of Martin Luther King Jr. Community Hospital.
- **City of Lynwood**
 - CEO met with the Mayor of Lynwood to discuss sale on two occasions.
- **Health Plan Partners/Medical Groups**

- CEO provides updates at Joint Operating Committee meetings with AppleCare, OmniCare, Altamed, and Angeles IPA. CEO had both phone conferences and in-person meetings with LA Care, HealthNet, Blue Cross, and Blue Shield.
- **Hospital Assn. of So Cal / PEACH / Health Care Partners**
 - CEO had phone conversations within the first 60 days of the Sales Announcement with HASC, PEACH, St. Francis Medical Center’s Patient-Family Advisors, St. John’s Well Child and Family Health Centers, Southside Coalition organizations, and American Career College at St. Francis.

September and October Communications

- Each hospital and the DCHS Medical Foundation continued with regular communication updates to associates, physicians, and volunteers through various channels including in person meetings, department staff meetings, associate and physician newsletters, CEO blogs, donor communications, Facebook postings and website postings.
- The DCHS website’s sale update section has been regularly updated to provide the latest information on the sale.
- The DCHS CEO wrote an Op Ed with facts about the sale that was published in several papers throughout the state of California.
- Hospital CEOs have continued to meet with community leaders and local government officials to keep them apprised of the sale.
- The DCHS System Office responded to more than 10 letters from community members and local government officials sent to Robert Issai, DCHS Board Chair Sr. Marjory Ann Baez, and members of the DCHS Board of Directors regarding the sale of DCHS.
- A press release was posted in early September announcing the deadline for final bids. The press release was posted on Business Wire and on all of the hospital websites.
- A press release was posted October 10, 2014 on the Business Wire and on the hospital websites announcing the sale to Prime Healthcare Services. Facebook pages for all the hospitals also announced the sale.
 - Talking points and FAQs about the sale transaction have been provided to all the hospitals.
- Members of Houlihan Lokey and DCHS CEO Robert Issai have attended Medical Executive Committee meetings and “town halls” in the hospitals to share information about the sale.
- In addition to the sale update section on the DCHS website, a DCHS/Prime Healthcare website (<http://dchsprime.com/>) provides updates for the community and facts about the

sale and sale process. The site will include dates of the public hearings once they are known.